

Message Text

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ORIGIN SS-25

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TO AMEMBASSY PARIS

C O N F I D E N T I A L STATE 085911

EXDIS

E.O. 11652: GDS

TAGS: PARM, FR, LY, PK, IN

SUBJECT: CONVENTIONAL ARMS TRANSFERS

REF: A) STATE 24253, B) PARIS 3192

1. SUMMARY: PM DIRECTOR GELB CALLED IN FRENCH CHARGE TO DISCUSS QUESTION OF MILITARY TRANSPORT AIRCRAFT SALE TO LIBYA AND DEEP PENETRATION STRIKE AIRCRAFT (DPSA) SALE TO INDIA. NOTING THAT SECRETARY VANCE HAD ASKED HIM TO RAISE BOTH ISSUES, GELB REVIEWED US CONCERNS IN EACH CASE, AND INQUIRED REGARDING FRENCH INTENTIONS, CHARGE UNDERTOOK TO REPORT TO PARIS AND SEEK RESPONSE. END SUMMARY.

2. ON MARCH 31 GELB CALLED IN FRENCH CHARGE BOYER TO DISCUSS PROSPECTIVE SALE OF TRANSPORTS TO LIBYA AND DPSA TO INDIA. REGARDING THE SALE TO LIBYA, GELB REFERRED TO CONFIDENTIAL

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APPROACH MADE BY EMBASSY PARIS TO GOF (REFS. A AND B) AND REVIEWED U.S. CONCERNS ALONG SIMILAR LINES. RECALLING THAT GOF OFFICIALS HAD INDICATED THE INTENTION OF LOOKING INTO THE MATTER AND RESPONDING TO EMBASSY'S INQUIRY REGARDING FRENCH INTENTIONS, GELB SAID SECRETARY VANCE HAD ASKED HIM TO INDICATE THAT AN ANSWER WOULD BE VERY MUCH APPRECIATED.

3. GELB SAID HE HAD ALSO BEEN ASKED BY THE SECRETARY TO RAISE THE ISSUE OF DPSA FOR INDIA. GELB THEN MADE THE FOLLOWING POINTS:

- USG CONCERNED OVER SUPPLY COMPETITION WHICH RESULTS IN THE INTRODUCTION OF NEW WEAPONS SYSTEMS TO REGIONS WITHOUT THEM.

- THE U.S. HAD REFUSED THE PAKISTANI REQUEST FOR A7'S ON THIS BASIS, DESPITE THE RESULTANT LOSS OF \$700 MILLION IN SALES, AND THE CLOSURE OF THE A7 PRODUCTION LINE.

- SWEDEN HAD NOW APPROACHED THE U.S. FOR PERMISSION TO SELL THE VIGGEN, WHICH HAD A U.S. ENGINE, TO INDIA.

- USG PERMISSION FOR SUCH THIRD COUNTRY TRANSFERS IS GRANTED ONLY IF THE USG WOULD BE WILLING TO AUTHORIZE A SIMILAR SALE BY U.S. COMPANY. THE USG WAS RELUCTANT TO AGREE TO THE SWEDISH SALE.

- THE SWEDES HAD COMPLAINED THAT A U.S. DENIAL WOULD PUT THEM AT A DISADVANTAGE VIS A VIS THE UK, FRENCH, AND SOVIETS, ALL OF WHOM WERE OFFERING DPSA FOR SALE TO INDIA.

- IF SUCH A SALE WERE CONSUMMATED, IT WOULD ALMOST
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CERTAINLY RESULT IN RENEWED PAKISTANI INTEREST IN OBTAINING DPSA FROM THE U.S. OR ELSEWHERE.

- IT MIGHT ALSO REINFORCE PAKISTANI MOTIVATIONS TO PURSUE DEVELOPMENT OF NUCLEAR WEAPONS TECHNOLOGY.

- INDIA AND PAKISTAN HAD INITIATED DIRECT DISCUSSION REGARDING THEIR BILATERAL RELATIONS. THE POSSIBILITY OF SOME SORT OF UNDERSTANDING EMERGING REGARDING THE MILITARY BALANCE BETWEEN THEM COULD NOT BE EXCLUDED. ANY SALE OF DPSA TO INDIA COULD, HOWEVER, PRECLUDE ANY SUCH DEVELOPMENT.

3. GELB WONDERED WHETHER THE GOF HAD CONSIDERED THIS SALE IN THE CONTEXT OF ITS OWN REGIONAL ARMS RESTRAINT INITIATIVE. U.S. THINKING WAS MOVING ALONG LINES SIMILAR TO THE FRENCH, BUT THE U.S. BELIEVED THAT SOME POSITIVE ACT WAS NEEDED TO STIMULATE MOVEMENT TOWARD REGIONAL RESTRAINT ARRANGEMENTS.

4. IN LIGHT OF THESE CONSIDERATIONS, GELB ASKED WHETHER THE FRENCH WERE COMPETING FOR THE DPSA SALE TO INDIA.

BOYER SAID HE PRESUMED SO, BUT DIDN'T KNOW THE CURRENT STATUS OF DISCUSSIONS. GELB SAID THAT, IF THE FRENCH

WERE IN COMPETITION, THERE WERE A NUMBER OF QUESTIONS WHICH THE U.S. AND THE GOF MIGHT USEFULLY EXPLORE TOGETHER. THESE INCLUDED THE DISTINCTION BETWEEN MODERNIZATION AND THE ACQUISITION OF NEW WEAPONS CAPABILITIES, AND HOW TO STRUCTURE ANY SALE TO MINIMIZE THE LATTER, INCLUDING SUCH QUESTIONS AS DELIVERY TIME, AND COPRODUCTION ARRANGEMENTS.

5. GELB SAID THAT AN EARLY RESPONSE REGARDING FRENCH INTENTIONS ON THIS SALE TO INDIA WOULD BE APPRECIATED. BOYER ASKED ABOUT SOVIET INTENTIONS, RECALLING THAT GOF CONFIDENTIAL

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VIEW THAT RESTRAINTS COULD ONLY BE EFFECTIVE IF ALL SUPPLIERS WERE INVOLVED. GELB SAID THE SOVIETS WERE APPARENTLY OFFERING SU22'S. THE USG WAS, GELB SAID, CONSIDERING RAISING THIS SALE WITH THE SOVIETS AT THE BILATERAL MEETING ON CONVENTIONAL ARMS TRANSFERS SCHEDULED FOR HELSINKI ON MAY 4. IN THE MEANTIME, THE USG HAD TO DECIDE HOW TO RESPOND TO THE SWEDES. VANCE

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